

Message Text

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14

ORIGIN COME-00

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 EB-07 GSA-01

INT-05 AID-05 CIAE-00 FRB-03 INR-07 NSAE-00 USIA-06

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 STR-04 (ISO) R

DRAFTED BY COMMERCE:FSIESSEGER:KAM

APPROVED BY EB/ICD/ISM:ACHEWITT

EB/ISM:JJST. JOHN

AF:AJILLSON (SUBS)

ARA:ABERRY (SUBS)

----- 127217

R 051049Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY ACCRA

AMEMBASSY ATHENS

AMEMBASSY BRASILIA

AMEMBASSY CANBERRA

AMEMBASSY CONAKRY

AMEMBASSY FREETOWN

AMEMBASSY GEORGETOWN

AMEMBASSY JAKARTA

AMEMBASSY KINGSTON

AMEMBASSY PARAMARIBO

AMEMBASSY PORT AU PRINCE

AMEMBASSY SANTO DOMINGO

AMEMBASSY YAOUNDE

LIMITED OFFICIAL USE STATE 220706

E.O. 11652: N/A

TAGS: EMIN

SUBJECT: IMPACT OF FOREIGN INVESTMENT POLICIES ON BAUXITE/

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ALUMINA INDUSTRY

REF: 75 STATE 165596

1. SUMMARY: IN CONNECTION WITH AN INTERAGENCY STUDY OF WORLD BAUXITE/ALUMINA MARKET ISSUES, WE WOULD APPRECIATE EMBASSY ASSISTANCE TO SUPPLEMENT EXISTING ANALYSIS OF HOST GOVERNMENT POLICIES ON FOREIGN INVESTMENT AS THEY AFFECT THIS SECTOR. OUR GENERAL CONCERN IS TO IDENTIFY SIGNIFICANT GOVERNMENT INCENTIVES OR DISINCENTIVES TO FOREIGN INVESTMENT, AND TO QUANTIFY, TO THE EXTENT POSSIBLE, THE EFFECT OF SUCH POLICIES AND REGULATIONS ON THE LEVEL AND PATTERN OF WORLD INVESTMENT AND TRADE IN BAUXITE/ALUMINA. END SUMMARY.

2. ACTION: WE REQUEST EMBASSY ASSESSMENT, IN CONSULTATION AS APPROPRIATE WITH LOCAL U.S. BUSINESS COMMUNITY, OF THE EFFECT HOST GOVERNMENT POLICIES ON FOREIGN INVESTMENT HAVE UPON BAUXITE/ALUMINA PRODUCTION COSTS, EXPANSION OF CAPACITY AND NEW INVESTMENT PLANS. (IN THE CASE OF TOTALLY NATIONALIZED INDUSTRIES, WE REQUEST ASSESSMENT OF ANY EFFECTS GOVERNMENT OWNERSHIP AND MANAGEMENT MAY HAVE ON TRENDS OF NEW INVESTMENT IN BAUXITE/ALUMINA, AND ON TRADE.) AS PART OF ASSESSMENT, PLEASE CITE SPECIFIC GOVERNMENT REGULATIONS OR POLICIES WHICH IMPACT SIGNIFICANTLY UPON BAUXITE/ALUMINA SECTOR. WHERE IT IS FEASIBLE TO ESTIMATE QUANTITATIVE EFFECT, PLEASE DO SO, APPENDING RELEVANT DATA WHERE AVAILABLE. EMBASSY MAY FIND REFTEL HELPFUL IN IDENTIFYING SUCH REGULATIONS AND POLICIES.

3. WE ALSO SEEK TO IDENTIFY THE TYPE AND EXTENT OF NON-COMMERCIAL RISKS FACING FOREIGN INVESTORS, AND METHODS USED BY INVESTORS TO HANDLE, MANAGE, OR OTHERWISE COMPENSATE FOR THEM. IN THIS RESPECT, IF THERE IS ANY RELEVANT INFORMATION AVAILABLE TO EMBASSY (ON A CONFIDENTIAL BASIS, IF NECESSARY) REGARDING CONTRACTUAL RELATIONSHIPS BETWEEN GOVERNMENTS AND FOREIGN INVESTORS THAT WOULD ACT AS INCENTIVES OR DISINCENTIVES TO INVESTMENT IN BAUXITE/ALUMINA, WE WOULD BE INTERESTED IN RECEIVING IT.

4. WHERE PARTS OF THE INFORMATION AND ANALYSIS REQUESTED HAVE PREVIOUSLY BEEN REPORTED, ADDRESSEES MAY CITE REFER-LIMITED OFFICIAL USE

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ENCES, UPDATING IF APPROPRIATE.

5. MOST USEFUL RESPONSE WILL CONTAIN ONE OR MORE PARAGRAPHS GIVING GENERAL BACKGROUND INFORMATION ON THE INVESTMENT "CLIMATE", IN WHICH EMBASSY MAY OFFER SUBJECTIVE ANALYSIS OR ASSESSMENT OF THE OVERALL SITUATION. ABOVE NARRATIVE, WHICH MAY BE ANECDOTAL, SHOULD BE ACCOMPANIED, HOWEVER, BY CITATION OF ANY EXISTING OR PLANNED GOVERNMENT POLICIES, LEGIS-

LATION, REGULATIONS, OR OTHER ACTIVITIES WHICH IMPINGE ON
FOREIGN INVESTMENT IN THE BAUXITE/ALUMINA SECTOR, WITH
ESTIMATED EFFECTS (DEFERRED EXPANSION, CHANGES IN FINANCING,
ADDED COSTS, NEW INVESTMENTS CANCELLED OR POSTPONED, ETC.)
SPELLED OUT AND/OR QUANTIFIED TO THE EXTENT POSSIBLE--
ADMITTEDLY CALLING FOR SOME ROUGH ESTIMATES IN RESPONDING.

6. PLEASE REPLY BY OCTOBER 1. ROBINSON

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Message Attributes

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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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TAGS: EMIN, GH
To: ACCRA ATHENS BRASILIA MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006